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Allied and Associated Powers will be brought before military tribunals composed of members of the military tribunals of the Powers concerned.

In every case the accused will be entitled to name his own counsel.

ARTICLE 159.

The Hungarian Government undertakes to furnish all documents and information of every kind the production of which may be considered necessary to ensure the full knowledge of the incriminating acts, the discovery of offenders and the just appreciation of responsibility.

ARTICLE 160.

The provisions of Articles 157 to 159 apply similarly to the Governments of the States to which territory belonging to the former Austro-Hungarian Monarchy has been assigned, in so far as concerns persons accused of having committed acts contrary to the laws and customs of war who are in the territory or at the disposal of the said States.

If the persons in question have acquired the nationality of one of the said States, the Government of such State undertakes to take, at the request of the Power concerned and in agreement with it, all the measures necessary to insure the prosecution and punishment of such persons.

PART VIII.—REPARATION.

SECTION I.—GENERAL PROVISIONS.

ARTICLE 161.

The Allied and Associated Governments affirm and Hungary accepts the responsibility of Hungary and her allies for causing the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Austria-Hungary and her allies.

ARTICLE 162.

The Allied and Associated Governments recognize that the resources of Hungary are not adequate, after taking into account the permanent diminutions of such resources which will result from other provisions of the present treaty, to make complete reparation for such loss and damage.

The Allied and Associated Governments, however, require, and Hungary undertakes, that she will make compensation as hereinafter determined for damage done to the civilian population of the Allied and Associated Powers and to their property during the period of the belligerency of each as an Allied and Associated Power against Hungary by the said aggression by land, by sea and from the air, and in general all damage as defined in Annex I hereto.

ARTICLE 163.

The amount of such damage for which compensation is to be made by Hungary shall be determined by an Inter-Allied Commission to be called the *Reparation*

Commission and constituted in the form and with the powers set forth in the present treaty, particularly in Annexes II-V inclusive hereto. The Commission is the same as that provided for under Article 233 of the treaty with Germany, subject to any modifications resulting from the present treaty. The Commission shall constitute a section to consider the special questions raised by the application of the present treaty; this section shall have consultative power only, except in cases in which the Commission shall delegate to it such powers as may be deemed convenient.

The Reparation Commission shall consider the claims and give to the Hungarian Government a just opportunity to be heard.

The Commission shall concurrently draw up a schedule of payments prescribing the time and manner for securing and discharging by Hungary, within thirty years dating from May 1, 1921, that part of the debt which shall have been assigned to her after the Commission has decided whether Germany is in a position to pay the balance of the total amount of claims presented against Germany and her allies and approved by the Commission. If, however, within the period mentioned, Hungary fails to discharge her obligations, any balance remaining unpaid may, within the discretion of the Commission, be postponed for settlement in subsequent years or may be handled otherwise in such manner as the Allied and Associated Governments acting in accordance with the procedure laid down in this part of the present treaty shall determine.

ARTICLE 164.

The Reparation Commission shall, after May 1, 1921, from time to time consider the resources and capacity of Hungary, and, after giving her representatives a just opportunity to be heard, shall have discretion to extend the date and to modify the form of payments such as are to be provided for in accordance with Article 163, but not to cancel any part except with the specific authority of the several governments represented on the commission.

ARTICLE 165.

Hungary shall pay in the course of the year 1920 and the first four months of 1921, in such instalments and in such manner (whether in gold, commodities, ships, securities or otherwise) as the Reparation Commission may lay down, a reasonable sum which shall be determined by the Commission. Out of this sum the expenses of the armies of occupation subsequent to the armistice of November 3, 1918, provided for by Article 181, shall first be met, and such supplies of food and raw materials as may be judged by the Governments of the Principal Allied and Associated Powers essential to enable Hungary to meet her obligations for reparation may also, with the approval of the said Governments, be paid for out of the above sum. The balance shall be reckoned towards the liquidation of the amount due for reparation. Hungary shall further deposit bonds as prescribed in paragraph 12 (c) of Annex II hereto.

ARTICLE 166.

Hungary further agrees to the direct application of her economic resources to reparation as specified in Annexes III, IV and V relating respectively to

merchant shipping, to physical restoration and to raw material; provided always that the value of the property transferred and any services rendered by her under these annexes, assessed in the manner therein prescribed, shall be credited to her towards the liquidation of her obligations under the above articles.

ARTICLE 167.

The successive instalments, including the above sum, paid over by Hungary in satisfaction of the above claims will be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance on a basis of general equity and the rights of each.

For the purposes of this division the value of the credits referred to in Article 173 and in Annexes III, IV and V shall be reckoned in the same manner as cash payments made in the same year.

ARTICLE 168.

In addition to the payments mentioned above, Hungary shall effect, in accordance with the procedure laid down by the Reparation Commission, restitution in cash of cash taken away, seized or sequestered, and also restitution of animals, objects of every nature and securities taken away, seized or sequestered in the cases in which it proves possible to identify them on territory belonging to, or during the execution of the present treaty in the possession of, Hungary or her allies.

ARTICLE 169.

The Hungarian Government undertakes to make forthwith the restitution contemplated in Article 168 and to make the payments and deliveries contemplated in Articles 163, 164, 165 and 166.

ARTICLE 170.

The Hungarian Government recognizes the Commission provided for by Article 163 as the same may be constituted by the Allied and Associated Governments in accordance with Annex II, and agrees irrevocably to the possession and exercise by such Commission of the power and authority given to it under the present treaty.

The Hungarian Government will supply to the Commission all the information which the Commission may require relative to the financial situation and operations and to the property, productive capacity and stocks, and current production of raw materials and manufactured articles of Hungary and her nationals, and, further, any information relative to the military operations of the war of 1914-1919 which, in the judgment of the Commission, may be necessary.

The Hungarian Government shall accord to the members of the Commission and its authorized agents the same rights and immunities as are enjoyed in Hungary by duly accredited diplomatic agents of friendly Powers.

Hungary further agrees to provide for the salaries and the expenses of the Commission and of such staff as it may employ.

ARTICLE 171.

Hungary undertakes to pass, issue and maintain in force any legislation, orders and decrees that may be necessary to give complete effect to these provisions.

ARTICLE 172.

The provisions in this part of the present treaty shall not affect in any respect the provisions of Sections III and IV of Part X (Economic Clauses) of the present treaty.

ARTICLE 173.

The following shall be reckoned as credits to Hungary in respect of her reparation obligations:

(a) any final balance in favor of Hungary under Sections III and IV of Part X (Economic Clauses) of the present treaty;

(b) amounts due to Hungary in respect of transfers provided for in Part IX (Financial Clauses) and in Part XII (Ports, Waterways and Railways);

(c) all amounts which, in the judgment of the Reparation Commission, should be credited to Hungary on account of any other transfers under the present treaty of property, rights, concessions or other interests.

In no case, however, shall credit be given for property restored in accordance with Article 168.

ARTICLE 174.

The transfer of the Hungarian submarine cables, in the absence of any special provision in the present treaty, is regulated by Annex VI hereto.

ANNEX I.

Compensation may be claimed from Hungary in accordance with Article 162 above in respect of the total damage under the following categories:

1. Damage to injured persons and to surviving dependents by personal injury to or death of civilians caused by acts of war, including bombardment or other attacks on land, on sea or from the air, and of the direct consequences thereof and of all operations of war by the two groups of belligerents wherever arising.

2. Damage caused by Hungary or her allies to civilian victims of acts of cruelty, violence or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment or evacuation, of exposure at sea, or of being forced to labor) wherever arising, and to the surviving dependents of such victims.

3. Damage caused by Hungary or her allies in their own territory or in occupied or invaded territory to civilian victims of all acts injurious to health or capacity to work or to honor, as well as to the surviving dependents of such victims.

4. Damage caused by any kind of maltreatment of prisoners of war.

5. As damage caused to the peoples of the Allied and Associated Powers, all pensions or compensations in the way of pensions to naval and military

victims of war, including members of the air force, whether mutilated, wounded, sick or invalided, and to the dependents of such victims, the amount due to the Allied and Associated Governments being calculated for each of them as being the capitalized cost of such pensions and compensations at the date of the coming into force of the present treaty on the basis of the scales in force in France on May 1, 1919.

6. The cost of assistance by the Governments of the Allied and Associated Powers to prisoners of war, to their families and dependents.

7. Allowances by the Governments of the Allied and Associated Powers to the families and dependents of mobilized persons or persons serving with the forces, the amount due to them for each calendar year in which hostilities occurred being calculated for each Government on the basis of the average scale for such payments in force in France during that year.

8. Damage caused to civilians by being forced by Hungary or her allies to labor without just remuneration.

9. Damage in respect of all property, wherever situated, belonging to any of the Allied or Associated States or their nationals, with the exception of naval or military works or materials, which has been carried off, seized, injured or destroyed by the acts of Hungary or her allies on land, on sea or from the air, or damage directly in consequence of hostilities or of any operations of war.

10. Damage in the form of levies, fines and other similar exactions imposed by Hungary or her allies upon the civilian population.

ANNEX II.

1. The commission referred to in Article 163 shall be called the "Reparation Commission," and is hereafter referred to as "the Commission."

2. The delegates to this Commission shall be appointed by the United States of America, Great Britain, France, Italy, Japan, Belgium, Greece, Poland, Roumania, the Serb-Croat-Slovene State and Czecho-Slovakia. The United States of America, Great Britain, France, Italy, Japan and Belgium shall each appoint a delegate. The other five Powers shall appoint a delegate to represent them all under the conditions indicated in the second sub-paragraph of paragraph 3 hereafter. At the time when each delegate is appointed there shall also be appointed an assistant delegate, who will take his place in case of illness or necessary absence, but at other times will only have the right to be present at the proceedings without taking any part therein.

On no occasion shall delegates of more than five of the above Powers have the right to take part in the proceedings of the Commission and to record their votes. The delegates of the United States, Great Britain, France and Italy shall have this right on all occasions. The delegate of Belgium shall have this right on all occasions other than those referred to below. The delegate of Japan will have this right when questions relating to damage at sea are under consideration. The delegate representing the five remaining Powers mentioned above shall have this right when questions relating to Austria, Hungary or Bulgaria are under consideration.

Each of the Governments represented on the Commission shall have the right to withdraw after giving twelve months' notice to the Commission and confirming it six months after the date of the original notification.

3. Such of the Allied and Associated Powers as may be interested shall have the right to name a delegate to be present and act as assessor only while their respective claims and interests are under examination or discussion, but without the right to vote.

The section to be established by the Commission under Article 163 shall include representatives of the following Powers: The United States of America, Great Britain, France, Italy, Greece, Poland, Roumania, the Serb-Croat-Slovene State and Czecho-Slovakia. This composition of the section shall in no way prejudice the admissibility of any claims. In voting the representatives of the United States of America, Great Britain, France and Italy shall each have two votes.

The representatives of the five remaining Powers mentioned above shall appoint a delegate to represent them all, who shall sit on the Reparation Commission in the circumstances described in paragraph 2 of the present annex. This delegate, who shall be appointed for one year, shall be chosen successively from the nationals of each of the said five Powers.

4. In the case of death, resignation or recall of any delegate, assistant delegate or assessor, a successor to him shall be nominated as soon as possible.

5. The Commission shall have its principal permanent bureau in Paris, and shall hold its first meeting in Paris as soon as practicable after the coming into force of the present treaty, and thereafter will meet in such place or places and at such time as may be deemed convenient and as may be necessary for the most expeditious discharge of its duties.

6. At its first meeting the Commission shall elect from among the delegates referred to above a chairman and a vice-chairman, who shall hold office for a year and shall be eligible for re-election. If a vacancy in the chairmanship or vice-chairmanship should occur during the annual period, the Commission shall proceed to a new election for the remainder of the said period.

7. The Commission is authorized to appoint all necessary officers, agents and employees who may be required for the execution of its functions, and to fix their remuneration; to constitute sections or committees, whose members need not necessarily be members of the Commission, and to take all executive steps necessary for the purpose of discharging its duties; and to delegate authority and discretion to officers, agents, sections and committees.

8. All the proceedings of the Commission shall be private unless on particular occasions the Commission shall otherwise determine for special reasons.

9. The Commission shall be required, if the Hungarian Government so desire, to hear within a period which it will fix from time to time evidence and arguments on the part of Hungary on any questions connected with her capacity to pay.

10. The Commission shall consider the claims and give to the Hungarian Government a just opportunity to be heard, but not take any part whatever in the decisions of the Commission. The Commission shall afford a similar

opportunity to the allies of Hungary when it shall consider that their interests are in question.

11. The Commission shall not be bound by any particular code or rules of law or by any particular rule of evidence or of procedure, but shall be guided by justice, equity and good faith. Its decisions must follow the same principles and rules in all cases where they are applicable. It will establish rules relating to methods of proof of claims. It may act on any trustworthy modes of computation.

12. The Commission shall have all the powers conferred upon it and shall exercise all the functions assigned to it by the present treaty.

The Commission shall, in general, have wide latitude as to its control and handling of the whole reparation problem as dealt with in this part, and shall have authority to interpret its provisions. Subject to the provisions of the present treaty, the Commission is constituted by the several Allied and Associated Governments referred to in paragraphs 2 and 3 above as the exclusive agency of the said Governments respectively for receiving, selling, holding and distributing the reparation payments to be made by Hungary under this part of the present treaty. The Commission must comply with the following conditions and provisions:

(a) Whatever part of the full amount of the proved claims is not paid in gold or in ships, securities, commodities or otherwise, Hungary shall be required, under such conditions as the Commission may determine, to cover by way of guarantee by an equivalent issue of bonds, obligations or otherwise, in order to constitute an acknowledgment of the said part of the debt.

(b) In periodically estimating Hungary's capacity to pay, the Commission shall examine the Hungarian system of taxation, first, to the end that the sums for reparation which Hungary is required to pay shall become a charge upon all her revenues prior to that for the service or discharge of any domestic loan, and, secondly, so as to satisfy itself that in general the Hungarian scheme of taxation is fully as heavy proportionately as that of any of the Powers represented on the Commission.

The Reparation Commission shall receive instructions to take account of: (1) the actual economic and financial position of Hungarian territory as delimited by the present treaty, and (2) the diminution of its resources and of its capacity for payment resulting from the clauses of the present treaty. As long as the position of Hungary is not modified the Commission shall take account of these considerations in fixing the final amount of the obligations to be imposed on Hungary, the payments by which these are to be discharged, and any postponement of payment of interest which may be asked for by Hungary.

(c) The Commission shall, as provided in Article 165, take from Hungary, by way of security for and acknowledgment of her debt, gold bearer bonds free of all taxes or charges of every description established or to be established by the Hungarian Government or by any authorities subject to it. These bonds will be delivered at any time that may be judged expedient by the Commission, and in three portions, of which the respective amounts will be also fixed by the

Commission (the crowns gold being payable in conformity with Article 197, Part IX (Financial Clauses) of the present treaty):

(1) A first issue in bearer bonds payable not later than May 1, 1921, without interest. There shall be specially applied to the amortization of these bonds the payments which Hungary is pledged to make in conformity with Article 165, after deduction of the sums used for the reimbursement of the expenses of the armies of occupation and other payments for foodstuffs and raw materials. Such bonds as may not have been redeemed by May 1, 1921, shall then be exchanged for new bonds of the same type as those provided for below (paragraph 12, (c) (2)).

(2) A second issue in bearer bonds bearing interest at $2\frac{1}{2}$ per cent. between 1921 and 1926, and thereafter at 5 per cent. with an additional 1 per cent. for amortization beginning in 1926 on the whole amount of the issue.

(3) An undertaking in writing to issue, when, but not until, the Commission is satisfied that Hungary can meet the interest and sinking fund obligations, a further instalment of bearer bonds bearing interest at 5 per cent., the time and mode of payment of principal and interest to be determined by the Commission.

The dates for the payment of interest, the manner of employing the amortization fund and all other questions relating to the issue, management and regulation of the bond issue shall be determined by the Commission from time to time.

Further issues by way of acknowledgment and security may be required as the Commission subsequently determines from time to time.

In case the Reparation Commission should proceed to fix definitely and no longer provisionally the sum of the common charges to be borne by Hungary as a result of the claims of the Allied and Associated Powers, the Commission shall immediately annul all bonds which may have been issued in excess of this sum.

(d) In the event of bonds, obligations or other evidence of indebtedness issued by Hungary by way of security for or acknowledgment of her reparation debt being disposed of outright, not by way of pledge, to persons other than the several Governments in whose favor Hungary's original indebtedness was created, an amount of such reparation indebtedness shall be deemed to be extinguished corresponding to the nominal value of the bonds, etc., so disposed of outright, and the obligation of Hungary in respect of such bonds shall be confined to her liabilities to the holders of the bonds, as expressed upon their face.

(e) The damage for repairing, reconstructing and rebuilding property situated in the invaded and devastated districts, including re-installation of furniture, machinery and other equipment, will be calculated according to the cost at the date when the work is done.

(f) Decisions of the Commission relating to the total or partial cancellation of the capital or interest of any of the verified debt of Hungary must be accompanied by a statement of its reasons.

13. As to voting, the Commission will observe the following rules:

When a decision of the Commission is taken, the votes of all the delegates entitled to vote, or, in the absence of any of them, of their assistant delegates,

shall be recorded. Abstention from voting is to be treated as a vote against the proposal under discussion. Assessors shall have no vote.

On the following questions unanimity is necessary:

(a) Questions involving the sovereignty of any of the Allied and Associated Powers, or the cancellation of the whole or any part of the debt or obligations of Hungary;

(b) Questions of determining the amount and conditions of bonds or other obligations to be issued by the Hungarian Government and of fixing the time and manner for selling, negotiating or distributing such bonds;

(c) Any postponement, total or partial, beyond the end of 1930, of the payment of instalments falling due between May 1, 1921, and the end of 1926 inclusive;

(d) Any postponement, total or partial, of any instalments falling due after 1926 for a period exceeding three years;

(e) Questions of applying in any particular case a method of measuring damages different from that which has been previously applied in a similar case;

(f) Questions of the interpretation of the provisions of this part of the present treaty.

All other questions shall be decided by the vote of the majority.

In the case of any difference of opinion among the delegates, which cannot be solved by reference to their Governments, upon the question whether a given case is one which requires a unanimous vote for its decision or not, such difference shall be referred to the immediate arbitration of some impartial person to be agreed upon by their Governments whose award the Allied and Associated Governments agree to accept.

14. Decisions of the Commission, in accordance with the powers conferred upon it, shall forthwith become binding and may be put into immediate execution without further proceedings.

15. The Commission shall issue to each of the interested Powers in such form as the Commission shall fix:

(1) a certificate stating that it holds for the account of the said Power bonds of the issues mentioned above, the said certificate on the demand of the Power concerned being divisible into a number of parts not exceeding five;

(2) from time to time certificates stating the goods delivered by Hungary on account of her reparation debt which it holds for the account of the said Power.

Such certificates shall be registered and, upon notice to the Commission, may be transferred by endorsement.

When bonds are issued for sale or negotiation, and when goods are delivered by the Commission, certificates to an equivalent value must be withdrawn.

16. Interest shall be debited to Hungary as from May 1, 1921, in respect of her debt as determined by the Commission, after allowing for sums already covered by cash payments or their equivalent by bonds issued to the Commission or under Article 173.

The rate of interest shall be 5 per cent., unless the Commission shall determine at some future time that circumstances justify a variation of this rate.

The Commission, in fixing on May 1, 1921, the total amount of the debt of

Hungary, may take account of interest due on sums arising out of reparation and of material damage as from November 11, 1918, or any later date that may be fixed by the Commission, up to May 1, 1921.

17. In case of default by Hungary in the performance of any obligation under this part of the present treaty, the Commission will forthwith give notice of such default to each of the interested Powers and may make such recommendations as to the action to be taken in consequence of such default as it may think necessary.

18. The measures which the Allied and Associated Powers shall have the right to take, in the case of voluntary default by Hungary, and which Hungary agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals, and in general such other measures as the respective Governments may determine to be necessary in the circumstances.

19. Payments required to be made in gold or its equivalent on account of the proved claims of the Allied and Associated Powers may at any time be accepted by the Commission in the form of chattels, properties, commodities, businesses, rights, concessions within or without Hungarian territory, ships, bonds, shares or securities of any kind or currencies of Hungary or other States, the value of such substitutes for gold being fixed at a fair and just amount by the Commission itself.

20. The Commission in fixing or accepting payment in specified properties or rights shall have due regard for any legal or equitable interests of the Allied and Associated Powers or of neutral Powers or of their nationals therein.

21. No member of the Commission shall be responsible, except to the Government appointing him, for any action or omission as such member. No one of the Allied and Associated Governments assumes any responsibility in respect of any other Government.

22. Subject to the provisions of the present treaty this annex may be amended by the unanimous decision of the Governments represented from time to time upon the Commission.

23. When all the amounts due from Hungary and her allies under the present treaty or the decisions of the Commission have been discharged, and all sums received, or their equivalents, have been distributed to the Powers interested, the Commission shall be dissolved.

ANNEX III.

1. Hungary recognizes the right of the Allied and Associated Powers to the replacement ton for ton (gross tonnage) and class for class of all merchant ships and fishing boats lost or damaged owing to the war.

Nevertheless and in spite of the fact that the tonnage of Hungarian shipping at present in existence is much less than that lost by the Allied and Associated Powers in consequence of the aggression of Austria-Hungary and her allies, the right thus recognized will be enforced on the Hungarian ships and boats under the following conditions:

The Hungarian Government on behalf of themselves, and so as to bind all other persons interested, cede to the Allied and Associated Governments the

property in all merchant ships and fishing boats belonging to nationals of the former Kingdom of Hungary.

2. The Hungarian Government will, within two months of the coming into force of the present treaty, deliver to the Reparation Commission all the ships and boats mentioned in paragraph 1.

3. The ships and boats in paragraph 1 include all ships and boats which (a) fly or may be entitled to fly the Austro-Hungarian merchant flag and are registered in a port of the former Kingdom of Hungary, or (b) are owned by any national, company or corporation of the former Kingdom of Hungary, or by any company or corporation belonging to a country other than an Allied or Associated country and under the control or direction of nationals of the former Kingdom of Hungary, or (c) are now under construction (1) in the former Kingdom of Hungary, (2) in other than Allied or Associated countries for the account of any national, company or corporation of the former Kingdom of Hungary.

4. For the purpose of providing documents of title for the ships and boats to be handed over as above mentioned, the Hungarian Government will:

(a) deliver to the Reparation Commission in respect of each vessel a bill of sale or other document of title evidencing the transfer to the Commission of the entire property in the vessel, free from all encumbrances, charges and liens of all kinds, as the Commission may require;

(b) take all measures that may be indicated by the Reparation Commission for insuring that the ships themselves shall be placed at its disposal.

5. Hungary undertakes to restore in kind and in normal condition of upkeep to the Allied and Associated Powers within two months of the coming into force of the present treaty in accordance with procedure to be laid down by the Reparation Commission any boats and other movable appliances belonging to inland navigation which, since July 28, 1914, have by any means whatever come into her possession or into the possession of her nationals and which can be identified.

With a view to make good the loss in inland navigation tonnage from whatever cause arising which has been incurred during the war by the Allied and Associated Powers, and which cannot be made good by means of the restitution prescribed above, Hungary agrees to cede to the Reparation Commission a portion of the Hungarian river fleet up to the amount of the loss mentioned above, provided that such cession shall not exceed 20 per cent. of the river fleet as it existed on November 3, 1918.

The conditions of this cession shall be settled by the arbitrators referred to in Article 284, Part XII (Ports, Waterways and Railways) of the present treaty, who are charged with the settlement of difficulties relating to the apportionment of river tonnage resulting from the new international régime applicable to certain river systems or from the territorial changes affecting those systems.

6. Hungary agrees to take any measures that may be indicated to her by the Reparation Commission for obtaining a full title to the property in all ships which have, during the war, been transferred or are in process of transfer to neutral flags without the consent of the Allied and Associated Governments.

7. Hungary waives all claims of any description against the Allied and Associated Governments and their nationals in respect of the detention, employment, loss or damage of any Hungarian ships or boats.

8. Hungary renounces all claims to vessels or cargoes sunk by or in consequence of naval action and subsequently salvaged in which any of the Allied or Associated Governments or their nationals may have any interest either as owners, charterers, insurers or otherwise, notwithstanding any decree of condemnation which may have been made by a prize court of the former Austro-Hungarian Monarchy or of its allies.

ANNEX IV.

1. The Allied and Associated Powers require and Hungary undertakes that in part satisfaction of her obligations expressed in this part she will, as hereinafter provided, devote her economic resources directly to the physical restoration of the invaded areas of the Allied and Associated Powers to the extent that these Powers may determine.

2. The Allied and Associated Governments may file with the Reparation Commission lists showing:

(a) animals, machinery, rolling-stock, equipment, tools and like articles of a commercial character which have been seized, consumed or destroyed by Hungary, or destroyed in direct consequence of military operations, and which such Governments, for the purpose of meeting immediate and urgent needs, desire to have replaced by animals and articles of the same nature which are in being in Hungarian territory at the date of the coming into force of the present treaty;

(b) reconstruction materials (such as stones, bricks, refractory bricks, tiles, wood, window glass, steel, lime, cement), machinery, heating apparatus, furniture and like articles of a commercial character, which the said Governments desire to have produced and manufactured in Hungary and delivered to them to permit of the restoration of the invaded areas.

3. The lists relating to the articles mentioned in paragraph 2 (a) above shall be filed within three months after the coming into force of the present treaty.

The lists shall contain all such details as are customary in commercial contracts dealing with the subject-matter, including specifications, dates of delivery (but not extending over more than four years) and places of delivery, but not prices or value, which shall be fixed as hereinafter provided by the Commission.

4. Immediately upon the filing of such lists with the Commission, the Commission shall consider the amount and number of the materials and animals mentioned in the lists provided for above which are to be required of Hungary.

In reaching a decision on this matter the Commission shall take into account such domestic requirements of Hungary as it deems essential for the maintenance of Hungarian social and economic life, the prices and dates at which similar articles can be obtained in the Allied and Associated countries as compared with those to be fixed for Hungarian articles, and the general interest of the Allied and Associated Governments that the industrial life of Hungary be

not so disorganized as to affect adversely the ability of Hungary to perform the other acts of reparation stipulated for.

Machinery, rolling-stock, equipment, tools and like articles of a commercial character in actual industrial use are not, however, to be demanded of Hungary unless there is no free stock of such articles respectively which is not in use and is available, and then not in excess of 30 per cent. of the quantity of such articles in use in any one establishment or undertaking.

The Commission shall give representatives of the Hungarian Government an opportunity and a time to be heard as to their capacity to furnish the said materials, articles and animals.

The decision of the Commission shall thereupon and at the earliest possible moment be communicated to the Hungarian Government and to the several interested Allied and Associated Governments.

The Hungarian Government undertakes to deliver the materials, articles and animals as specified in the said communication, and the interested Allied and Associated Governments severally agree to accept the same, providing they conform to the specification given or are not, in the judgment of the Commission, unfit to be utilized in the work of reparation.

5. The Commission shall determine the value to be attached to the materials, articles and animals to be delivered in accordance with the foregoing, and the Allied or Associated Power receiving the same agrees to be charged with such value, and the amount thereof shall be treated as a payment by Hungary to be divided in accordance with Article 167 of the present treaty.

In cases where the right to require physical restoration as above provided is exercised, the Commission shall ensure that the amount to be credited against the reparation obligation of Hungary shall be fair value for work done or material supplied by Hungary, and that the claim made by the interested Power in respect of the damage so repaired by physical restoration shall be discharged to the extent of the proportion which the damage thus repaired bears to the whole of the damage thus claimed for.

6. In order to meet the immediate needs of the countries whose livestock has been seized, consumed or destroyed, the Allied and Associated Powers may present to the Reparation Commission immediately after the coming into force of the present treaty lists of the livestock which they desire to have delivered to them within three months from the coming into force of the present treaty, as an immediate advance on account of the animals referred to in paragraph 2 above.

The Reparation Commission shall decide in what numbers such livestock shall be delivered within the above period of three months, and Hungary agrees to make such deliveries in accordance with the decisions of the Commission.

The Commission will distribute the livestock so delivered between the Powers concerned, taking into account the immediate needs of each of these Powers and the extent to which these needs have been met by the treaties concluded between the Allied and Associated Powers on the one hand and Austria and Bulgaria on the other hand.

The animals delivered shall be of average health and condition.

If the animals so delivered cannot be identified as animals taken away or seized, the value of such animals shall be credited against the reparation obligations of Hungary in accordance with paragraph 5 of this annex.

ANNEX V.

1. Hungary shall give, as partial reparation, to the Allied and Associated Governments severally an option during the five years following the coming into force of the present treaty for the annual delivery of the raw materials hereinafter enumerated, the amounts delivered to bear the same relation to their annual importations of these materials before the war from Austria-Hungary as the resources of Hungary as now delimited by the present treaty bear to the resources before the war of the former Austro-Hungarian Monarchy:

Timber and timber manufactures;

Iron and iron alloys.

Hungary shall also give, as partial reparation, to the Allied and Associated Powers an option for the annual delivery during the five years following the coming into force of the present treaty of a quantity of steam coal from the Pecs mine. This quantity will be periodically determined by the Reparation Commission, which will dispose of it for the benefit of the Serb-Croat-Slovene State in conditions fixed by the Commission.

2. The price paid for the products referred to in the preceding paragraph shall be the same as the price paid by Hungarian nationals under the same conditions of shipment to the Hungarian frontier and shall be subject to any advantages which may be accorded similar products furnished to Hungarian nationals.

3. The foregoing options shall be exercised through the intervention of the Reparation Commission, which, subject to the specific provisions hereof, shall have power to determine all questions relative to procedure and qualities and quantities of products and the times and modes of delivery and payment. In giving notice to the Hungarian Government of the foregoing options, the Commission shall give at least 120 days notice of deliveries to be made after July 1, 1920, and at least 30 days notice of deliveries to be made between the coming into force of the present treaty and July 1, 1920. If the Commission shall determine that the full exercise of the foregoing options would interfere unduly with the industrial requirements of Hungary, the Commission is authorized to postpone or to cancel deliveries and in so doing to settle all questions of priority.

ANNEX VI.

Hungary renounces on her own behalf and on behalf of her nationals in favor of Italy all rights, titles or privileges of whatever nature in any submarine cables or portions of cables connecting Italian territory, including any territories which may be assigned to Italy in accordance with the present treaty.

Hungary also renounces on her own behalf and on behalf of her nationals in favor of the Principal Allied and Associated Powers all rights, titles and privileges of whatever nature in the submarine cables, or portions thereof,

connecting the territories ceded by Hungary under the terms of the present treaty to the various Allied and Associated Powers.

The States concerned shall provide for the upkeep of the installations and the proper working of the said cables.

As regards the cable from Trieste to Corfu, the Italian Government shall enjoy in its relations with the company owning this cable the same position as that held by the Austro-Hungarian Government.

The value of the cables or portions of cables referred to in the first two paragraphs of the present annex, calculated on the basis of the original cost, less a suitable allowance for depreciation, shall be credited to Hungary in the reparation account.

SECTION II.—SPECIAL PROVISIONS.

ARTICLE 175.

In carrying out the provisions of Article 168 Hungary undertakes to surrender to each of the Allied and Associated Powers respectively all records, documents, objects of antiquity and of art, and all scientific and bibliographical material taken away from the invaded territories, whether they belong to the State or to provincial, communal, charitable or ecclesiastical administrations or other public or private institutions.

ARTICLE 176.

Hungary shall in the same manner restore objects of the same nature as those referred to in Article 175 which may have been taken away since June 1, 1914, from the ceded territories, with the exception of objects bought from private owners.

The Reparation Commission will apply to these objects the provisions of Article 191, Part IX (Financial Clauses), of the present treaty, if these are appropriate.

ARTICLE 177.

Hungary will give up to each of the Allied and Associated Governments respectively all the records, documents and historical material possessed by public institutions which may have a direct bearing on the history of the ceded territories and which have been removed since January 1, 1868. This last-mentioned period as far as concerns Italy, shall be extended to the date of the proclamation of the kingdom (1861).

With regard to all objects or documents of an artistic, archæological, scientific or historic character forming part of collections which formerly belonged to the Government or the Crown of the Austro-Hungarian Monarchy and are not otherwise provided for in the present treaty, Hungary undertakes:

- (a) to negotiate, when required, with the States concerned for an amicable arrangement whereby any portion thereof or any objects or documents belonging thereto which ought to form part of the intellectual patrimony of the said States may be returned to their country of origin on terms of reciprocity, and
- (b) for twenty years, unless a special arrangement is previously arrived

at, not to alienate or disperse any of the said collections or to dispose of any of the above objects, but at all times to ensure their safety and good condition and to make them available, together with inventories, catalogues and administrative documents relating to the said collections, at all reasonable times to students who are nationals of any of the Allied and Associated Powers.

Reciprocally, Hungary will be entitled to apply to the said States, particularly to Austria, in order to negotiate, in the conditions mentioned above, the necessary arrangements for the return to Hungary of the collections, documents and objects referred to above, to which the guarantees referred to in paragraph (b) will apply.

ARTICLE 178.

The new States arising out of the former Austro-Hungarian Monarchy and the States which receive part of the territory of that Monarchy undertake to give up to the Hungarian Government the records, documents and material dating from a period not exceeding twenty years which have a direct bearing on the history or administration of the territory of Hungary and which may be found in the territories transferred.

ARTICLE 179.

Hungary acknowledges that she remains bound, as regards Italy, to execute in full the obligations referred to in Article 15 of the Treaty of Zurich of November 10, 1859, in Article 18 of the Treaty of Vienna of October 3, 1866, and in the Convention of Florence of July 14, 1868, concluded between Italy and Austria-Hungary, in so far as the articles referred to have not in fact been executed in their entirety, and in so far as the documents and objects in question are situated in the territory of Hungary or her allies.

PART IX.—FINANCIAL CLAUSES

ARTICLE 180.

Subject to such exceptions as the Reparation Commission may make, the first charge upon all the assets and revenues of Hungary shall be the cost of reparation and all other costs arising under the present treaty or any treaties or agreements supplementary thereto, or under arrangements concluded between Hungary and the Allied and Associated Powers during the armistice signed on November 3, 1918.

Up to May 1, 1921, the Hungarian Government shall not export or dispose of, and shall forbid the export or disposal of, gold without the previous approval of the Allied and Associated Powers acting through the Reparation Commission.

ARTICLE 181.

There shall be paid by Hungary, subject to the fifth paragraph of this article, the total cost of all armies of the Allied and Associated Governments occupying territory within the boundaries of Hungary as defined by the present